Resource Hinterlands
Reading

• Holden & Jacobson 2009 in *Canadian Geographer*
  – On Catholic Church’s opposition to mining activity in Guatemala
Conflicts of Interest

• Often in the news
• Bill Morneau, minister of finance, and rich guy with holdings not in a blind trust.
• Liberal party figures with investments in secret off-shore tax shelters
  – While their party makes noises about going after tax shelters
Ottawa’s Conflict of Interest Rules

- MPs prohibited from receiving “any gift or benefit ... that might reasonably be seen to have been given to influence the member”
- Can MPs accept junkets abroad paid for by controversial mining companies?
  - Yes, as long as it directly relates to the MP’s work in the House and is disclosed to the ethics commissioner
August 2012

- **Goldcorp Inc.** flew four MPs and a senator on the Vancouver-based mining company's jet to its Marlin mine in Guatemala and to meet local government officials.
  - Dave Van Kesteren MP (C)
  - Dean Allison MP (C)
  - Massimo Pacetti MP (L)
  - Bruce Hyer MP (was NDP now independent)
  - Senator Mac Harb (L)

- Wined and dined in luxury style for 3 days
Conflicts of Interest?

• "I'm not sure what the conflict is,"
  --Massimo Pacetti MP for Saint-Léonard—Saint-Michel

• Recently proposed a tax deduction for intra-Canada vacation travel

• Suspended from caucus 2014 for sexual assault on an NDP MP
• Bruce Hyer MP: says he did nothing wrong
• Several Goldcorp mines in his NW Ontario riding
Senator Mac Harb

- Anti-seal hunting Liberal senator
- Investigated by the RCMP in 2011 for business trip to Bangladesh on behalf of Calgary-based Oil & gas company Niko Resources
  - Niko Resources developing oil & gas in India, Bangladesh, convicted of corruption of government ministers there, fined
- Since resigned from the senate
Dave Van Kesteren MP

- A Hyundai dealer and MP for Chatham-Kent-Essex
- Often a Harper-government spokesman for the pork industry
  - And big-business investments in biofuels and wind energy in SW Ontario
Dean Allison MP

• Conservative MP for Niagara West-Glanbrook

• Seems to concern himself with matters of parliamentary ethics
  – And the interests of Niagara’s fruit & vegetable growers
Hill & Knowlton

- Liberal senator Don Boudria working for Hill & Knowlton helped manage Goldcorp’s publicity and arrange the MP’s junket to Guatemala
  - H&K exaggerated/made up Iraqi atrocities to promote the first Gulf War in 1990
  - Represented the US tobacco industry, Church of Scientology, Gas fracking industry, dictatorships in Indonesia against public criticism
GoldCorp

- **Goldcorp’s Marlin mine in Guatemala is controversial**
  - Accusation of environmental damage, health impacts, human rights violations for local people
  - Yet 85% of the profits are exported from Guatemala

- A target if Canada ever regulates the behaviour of its mining companies abroad
Holden & Jacobson 2009

- Guatemala rich in non-ferrous ores
  - Nickel, Gold, Silver, Cobalt …
- A dangerous place
  - A recent (and ongoing?) 36-year civil war
  - Government, army, police, informal militias notorious for brutal human rights abuses
  - Corrupt, divided, unequal society
Holden & Jacobson 2009

- Foreign mining companies active in Guatemala
- Canadian companies are major players in two large controversial mines
  - Marlin Mine
  - Fenix Mine
Figure 1
Guatemala.

SOURCE: Derived from United Nations, Department of Peacekeeping Operations, Cartographic Section, Map No. 3834 Rev. 3, May 2004
Marlin Mine

- Run by Vancouver-based Goldcorp
- Mines gold (Au), silver (Ag)
- Cyanide used in ore processing
Fenix Mine

- Mines nickel (Ni) and Cobalt (Co) with sulphuric acid leaching process
- Once run by INCO subsidiary EXMIBAL
- Then revived 2004-2008 by Vancouver-based Skye Resources and merged with/taken over by Toronto’s HudBay 2008
- Hudbay sells its Fenix interests in Aug 2011 to US-based Solway Group for $170m
Fenix Mine

• 30 years of conflict between mining company and indigenous people

• Sky Resources used the Guatemalan courts, police to evict local communities, deny their land rights
  – Sky claimed to be justified in this
  – 11 indigenous women gang-raped by police, mine security guards in 2007 eviction violence
HudBay

- The company’s main mine base in Canada is around Flin-Flon on the SK/MB border
  - Closed Trout Lake mine
  - Opens Lalor mine
- Is invested in the major new $1.5bn Constancia copper mine in Peru
Fenix Mine

• 2007: To finance the Fenix mine Skye Resources retained advisors:
  – Morgan Stanley & Co.,
  – TD Securities
  – Cutfield Freeman & Co.,
Fenix Mine

- Despite selling out to Solway, HudBay still being sued for the violence around the Fenix Mine
  - The rape victims were in Toronto December 2012 to give pre-trial evidence
  - Toronto activists demonstrate outside the 2012 HudBay AGM
Holden & Jacobson 2009

- Provide us with details of how the Catholic Church has been campaigning against the abuses of foreign mining companies in Guatemala
- Confirm many of the details of the violence and environmental abuse involved
Barrick Gold

• Another major Canadian global gold miner
• Barrick’s North Mara mine in Tanzania accused of severe environmental & health damage
  – In 2011 several people shot dead outside the mine by Tanzanian police
Barrick Gold

• **Peter Munk defends his company**

• **Munk a major donor:**
  – The Munk Cardiac Centre in Toronto
  – The Munk School of Global Affairs at UofT
  – Barrick protest outside the Munk School
York’s Schulich Business School

• Gold mining exec Seymour Schulich gave the school $22 Million

• York’s business school receives funding/advice from HudBay and Barrick Gold
  – “The Core Sponsor for the Schulich International Case Competition was Barrick Gold”

• Schulich’s Dean Horváth opens the TSX 28 Nov 2011 to announce a new MBA programme in Global Mining Management
  – Graduating students intern at Barrick Gold
York’s Schulich Business School

- **Hudbay** and Barrick contribute to Schulich’s Centre of Excellence in Responsible Business (COERB)
Natural Resources

• Metropolitan cores (Toronto, Vancouver, Calgary)
  – Find ways to profitably exploit resource-producing regions
  – Enriching themselves
  – Changing the regions they exploit

• There is some benefit to those exploited
  – But it is not very balanced
Natural Resources

• We have several bodies of theory we could use
  – Harold Innis’s ‘staples’ approach
  – Combined & uneven development
  – Core/periphery, heartland/hinterland
Natural Resources

• Metropolitan cores get changed by their exploitation of resources elsewhere
• Metropolitan profits often depend on unscrupulous behaviour
  – Abroad
  – And at home
Natural Resources

• Suppose we regulate Canadian mining companies and prevent them from abusive behaviour abroad.
• What happens next?
• They will probably move offshore to escape the regulation
  – Neoliberalism